FICSIMM, Romania

(the Federation for Innovation and Sustainable Competitiveness in SMEs)

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Contribution to the public consultation on the draft Communication from the Commission amending the Guidelines on regional State aid and their Annexes I to V regarding the regional aid maps for the period 1 January 2028 to 31 December 2034

An SME-centered perspective on the future of regional State aid in the Union

Status: non-confidential - submitted for publication on the consultation webpage

- **Part I** - General assessment of the draft Communication, including the quantified effect on Romania;
- **Part II** - The seven principles on which FICSIMM's proposals are based;
- **Part III** - Twenty-two concrete drafting amendments to the draft Communication;
- **Part IV** - Accompanying requests that fall outside the scope of the amendment, but condition its effectiveness;
- **Part V** - Conclusion.

I. General assessment

I.1. What FICSIMM supports in the draft Communication

FICSIMM welcomes the draft Communication and supports, without reservation, five of its features:

- **First, the recognition of eastern border regions as a distinct structural category.** The introduction of point (34) in paragraph 19 and of Annex Ia establishes, for the first time in Union competition law, that exposure to hybrid threats, disrupted trade and security-related costs is a regional handicap in its own right. This is an analytical breakthrough and FICSIMM has argued for it consistently since its September 2025 contribution to the Pact for the Eastern Border Regions and its February 2026 position on Communication COM(2026) 82 final.
- **Second, the maintenance of the overall level of population coverage.** In a budgetary and political context in which a reduction would have been easy to justify, holding coverage at 48% and adjusting it upwards to 48.5456% is the correct signal.
- **Third, the deletion of the concept of very sparsely populated areas.** The category carried no distinct compatibility consequence and its removal is genuine simplification.
- **Fourth, the updating of the population-loss window to 2013-2024 in paragraph 188 and Annex IV.** This aligns the instrument with the demographic reality of the last decade rather than with a pre-pandemic snapshot.
- **Fifth, the confirmation of a mid-term review in 2030.** Seven years is a long time in a decade of asymmetric shocks; a review point is indispensable.

I.2. The central concern: coverage is preserved, the value of the map is not

The draft Communication protects the perimeter of the assisted areas and leaves the aid intensities to follow mechanically from a reference period - 2022-2024 - that was the most distorted three-year window in recent statistical history. The result, for Member States that experienced strong nominal catching-up in that window, is a map that looks unchanged and permits substantially less.

Romania is the clearest illustration. Its total population coverage moves from 89.34% to 89.40% - an increase of six hundredths of a percentage point - while the maximum aid intensity falls in five of its seven assisted regions:

NUTS 2 region	GDP p.c. 2016-2018	GDP p.c. 2022-2024	Status and max. aid intensity 2022-2027	Status and max. aid intensity 2028-2034	Change in maximum aid intensity
RO11 Nord-Vest [eastern border]	58.33	68.33	‘a’ area — 40%	‘a’ area — 30%	− 10 pp
RO12 Centru	60.00	68.67	‘a’ area — 40%	‘a’ area — 30%	− 10 pp
RO21 Nord-Est [eastern border]	39.67	46.00	‘a’ area — 50%	‘a’ area — 50%	unchanged
RO22 Sud-Est [eastern border]	52.67	57.33	‘a’ area — 50%	‘a’ area — 40%	− 10 pp
RO31 Sud – Muntenia	49.33	54.67	‘a’ area — 50%	‘a’ area — 50%	unchanged (0.33 pp from the 55% threshold)
RO41 Sud-Vest Oltenia	46.67	58.67	‘a’ area — 50%	‘a’ area — 40%	− 10 pp
RO42 Vest	66.00	75.67	‘a’ area — 30%	predefined ‘c’ (former ‘a’) — 15% (20% until 31.12.2030)	− 15 pp
Total population coverage	**—**	**—**	**89.34%**	**89.40%**	**+ 0.06 pp**

Maximum aid intensities for large enterprises, derived from paragraphs 179 and 182 of the Guidelines applied to the GDP per capita figures in Annex I (2022-2027 map) and in draft Annex Ia (2028-2034 map). GDP per capita in PPS, EU-27 = 100.

Regions accounting for approximately 56% of the Romanian population lose between 10 and 15 percentage points of maximum aid intensity, in a single step, on 1 January 2028.

For a medium-sized enterprise, the practical consequence is direct. A EUR 10 million retrofitting investment in Sud-Vest Oltenia currently supports an aid amount of up to EUR 6 million once the SME uplift under paragraph 186 is applied; from 2028, the same investment supports up to EUR 5 million. In Vest, the same investment falls from EUR 4 million to EUR 2.5 million, and from 2031 to EUR 2 million. These are not marginal adjustments; they are the difference between a bankable project and a shelved one, in exactly the industrial regions where the equipment stock is oldest and the energy intensity of production highest.

FICSIMM does not contest the arithmetic of paragraph 179. It contests the absence of any transition. The Guidelines already accept the principle of phasing where a status change would otherwise be abrupt: paragraph 183 allows former ‘a’ areas five additional percentage points for three years. The same logic is simply not applied to intensity reductions within ‘a’ areas, although the economic disruption is identical.

I.3. Statistical convergence is not economic convergence

The reference window for the new maps, 2022-2024, coincides with the sharpest inflation episode the Union has experienced in four decades and with the largest divergence in fiscal stances among Member States since the introduction of the euro. In Romania, measured GDP per capita in purchasing power standards rose by between six and twelve points relative to the EU-27 average across the seven development regions. Part of that movement is genuine catching-up and FICSIMM does not dispute it. Part of it, however, reflects price-level effects and a general government deficit that reached approximately 9% of GDP in 2024 - a demand-driven component that is now being withdrawn through a multi-annual consolidation programme.

The consequence is a timing mismatch of an unusually unfortunate kind: the map for 2028-2034 will be fixed on the basis of the peak of a cycle and will apply throughout the trough. A map calibrated on 2022-2024 and reviewed only in 2030 risks locking in a reduction in investment support precisely during the years in which the fiscal impulse is being removed and private investment must substitute for it.

This is an argument for two things, neither of which requires reopening the methodology: a transitional phase-in of intensity reductions, and a mid-term review that is explicitly permitted to move in both directions.

I.4. The eastern border provisions are, for several Member States, nominal rather than real

The draft Communication designates eastern border regions and grants them predefined 'c' status and a 15% aid intensity under the amended paragraph 182(2). This confers a real benefit in Member States whose border regions are not already assisted areas - Estonia, Finland and parts of Poland gain substantial additional coverage on that basis.

It confers no benefit whatsoever in Member States whose eastern border regions are already 'a' areas. Romania's three designated eastern border regions - Nord-Vest, Nord-Est and Sud-Est - are all 'a' areas. Predefined 'c' status adds nothing to a region that is already 'a'; a 15% intensity is well below the 30-50% those regions already enjoy. The same is true, in whole or in part, for Bulgaria, Latvia, Lithuania, Hungary and Slovakia.

Romania shares the longest land border with Ukraine of any Member State, together with the entirety of the Union's land border with the Republic of Moldova. Under the draft Communication, its total coverage increases by 0.06 percentage points and its aid intensities fall. The category that was created to recognise its exposure delivers, in its case, nothing.

FICSIMM raises this without any suggestion that the benefit to Finland, Estonia or Poland should be reduced. The correct remedy is additive: an intensity uplift for eastern border regions that operates in 'a' areas as well as in 'c' areas, built on the model the Guidelines already use for Just Transition Fund territories in paragraph 187 and for regions experiencing population loss in paragraph 188. Amendment 14 below sets out the drafting.

I.5. Depopulation is treated as a question of density rather than of loss

Operating aid to prevent or reduce depopulation is available, under paragraphs 15 and 57, only in sparsely populated areas - NUTS 2 regions below 8 inhabitants per km² or NUTS 3 regions below 12.5. Those thresholds describe Nordic and Baltic geography. No Romanian NUTS 3 region falls below 12.5 inhabitants per km²; the least densely populated county remains at roughly twice that level.

Yet, Romania has experienced one of the most severe rates of population loss in the Union over the last decade, driven by outward migration and natural decline rather than by geography. The result is that the instrument the Guidelines provide for depopulation is unavailable in several of the Union's most rapidly depopulating territories, because those territories are depopulating from a higher starting density.

The Guidelines already recognise population loss as an independent criterion in paragraph 188. FICSIMM proposes that the same criterion be used to define eligibility for depopulation-related operating aid, so that the instrument attaches to the phenomenon it is intended to address rather than to a proxy for it.

I.6. NUTS 2 averages conceal the disparities the Guidelines exist to correct

Romania combines a converging regional average with widening intra-regional divergence. The gap between county capitals and peripheral counties within the same development region has grown across the entire 2014-2027 period. FICSIMM documented this pattern in its April 2024 paper on decreasing disparities within regions and pockets of underdevelopment (https://ficsimm.eu/wp-content/uploads/2026/07/FICSIMM_Decreasing-disparities-within-regions-pockets-of-underdevelopment_en-April-2024_s.pdf), and it is the reason why absorption of cohesion funding at regional level has not translated into convergence at county level.

A regional aid map drawn exclusively at NUTS 2 level cannot see this. Amendment 17 proposes a limited, coverage-neutral instrument allowing Member States to differentiate intensity at NUTS 3 level within an 'a' area, subject to identification in the notified map.

II. The seven principles underpinning FICSIMM's proposals

1. Coverage without intensity is an empty map. Continuity must be measured by what the map permits, not by the share of population it touches.

2. Statistical convergence measured at a cyclical peak is not economic convergence. Reductions derived from it must be phased and reviewable in both directions.

3. Recognition of a handicap must carry an operative consequence. A category that produces no additional aid in the Member States most exposed to the handicap is a declaration, not an instrument.

4. Cliff edges are a policy choice, not an arithmetical necessity. A region should not lose half of its aid intensity because a three-year average crossed a threshold by two thirds of a percentage point.

5. Territorial targeting must be possible below NUTS 2. Pockets of underdevelopment inside converging regions are now the dominant form of territorial inequality in Central and Eastern Europe.

6. Depopulation must be defined by loss, not by density. The criterion should follow the phenomenon.

7. SMEs are the transmission mechanism of regional aid. They account for over 99% of enterprises in assisted areas and are usually the only employer of scale outside county capitals. Every reduction in intensity is transmitted to them first and absorbed by them least.

III. Amendments to the draft Communication

The amendments below follow the numbering of the draft Communication and, within it, the paragraph numbering of the Guidelines on regional State aid (OJ C 153, 29.4.2021, p. 1). Additions to the text of the draft Communication are shown in bold; deletions are shown struck through in the original submission and are indicated in square brackets in this version.

III.1. Definitions

FICSIMM Amendment 1

Draft Communication - point (13): amendment to the Guidelines on regional State aid

Paragraph 19, point (34) (new)

Text of the draft Communication	FICSIMM amendment
‘(34) ‘eastern border regions’ means NUTS 2 regions that share a border with Russia, Belarus and/or Ukraine, as listed in Annex Ia.’	‘(34) ‘eastern border regions’ means NUTS 2 regions that share a border with Russia, Belarus, Ukraine **and/or the Republic of Moldova**, as listed in Annex Ia.’

Justification

The Union’s entire land border with the Republic of Moldova is shared with Romania. The counties concerned - Botoșani, Iași, Vaslui, Galați - display the same combination of characteristics that the Communication on the eastern border identifies as justifying special treatment: slower growth, low investment, acute depopulation, disrupted trade routes and security-related costs, including those arising from the situation in the Transnistrian region and from repeated disruption of energy flows.

The Republic of Moldova is a candidate country whose accession process the Union has accelerated, and Romania is the corridor through which the greater part of its trade with the Single Market passes. Excluding regions bordering Moldova from a category defined by exposure to instability on the Union's eastern flank is difficult to reconcile with the strategic logic of the Communication itself.

The amendment adds no population coverage in Romania, since the regions concerned are already 'a' areas. Its effect is to make those regions eligible for the uplift proposed in Amendment 14 and to align the Guidelines with the Union's enlargement and security architecture.

FICSIMM Amendment 2

Draft Communication - point (13): amendment to the Guidelines on regional State aid

Paragraph 19, point (35) (new)

Text of the draft Communication	FICSIMM amendment
[No corresponding provision in the draft Communication.]	**'(35) 'regions experiencing severe depopulation' means NUTS 3 regions that experienced a population loss of more than 7.5% over the period 2013-2024, as identified in accordance with Annex IV.'**

Justification

The Guidelines already use the criterion of population loss over a defined reference period in paragraph 188, but do not define it as a concept. A definition is a purely technical addition that allows the same criterion to be used consistently for the aid-intensity uplift, for operating aid under paragraphs 15, 57 and 103, and for the content of the notified map under Annex V, without creating any new methodology or data requirement.

The threshold of 7.5% is discussed in Amendment 15.

Organizația Femeilor Antreprenor

FICSIMM Federația pentru Inovare și Competitivitate Sustenabilă în IMM-uri

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III.2. Operating aid and depopulation

FICSIMM Amendment 3

Draft Communication - point (9): amendment to the Guidelines on regional State aid

Paragraph 15

Text of the draft Communication	FICSIMM amendment
'15. Regional aid aimed at reducing the current expenses of an undertaking constitutes operating aid. Operating aid may be considered compatible only if it can be shown that it is necessary for the development of the area, for instance if it aims to reduce certain specific difficulties faced by SMEs in the most disadvantaged areas (under Article 107(3)(a) of the Treaty), if it compensates for additional costs incurred in pursuing an economic activity in outermost regions, or if it prevents or reduces depopulation in sparsely populated areas.'	'15. Regional aid aimed at reducing the current expenses of an undertaking constitutes operating aid. Operating aid may be considered compatible only if it can be shown that it is necessary for the development of the area, for instance if it aims to reduce certain specific difficulties faced by SMEs in the most disadvantaged areas (under Article 107(3)(a) of the Treaty), if it compensates for additional costs incurred in pursuing an economic activity in outermost regions, or if it prevents or reduces depopulation in sparsely populated areas **or in regions experiencing severe depopulation**.'

Justification

The density thresholds that define sparsely populated areas - 8 inhabitants per km² at NUTS 2 level and 12.5 at NUTS 3 level - were calibrated on the geography of the Nordic and Baltic Member States. They are objectively unattainable in Romania, where the least densely populated county remains at approximately twice the NUTS 3 threshold and in most of Central and South-Eastern Europe.

Romania nevertheless records some of the steepest rates of population loss in the Union. In a number of counties the working-age population has fallen by more than a fifth since 2013 through outward migration and natural decline. The economic mechanism the Guidelines seek to interrupt - the withdrawal of the last employers of scale from a territory, which then accelerates further departures - is identical whether the territory is thinly settled or merely emptying.

The amendment attaches the instrument to the phenomenon rather than to a geographical proxy for it. It does not widen the category of compatible operating aid in principle and it leaves the burden of demonstration on the Member State under paragraph 57. It does, however, make the instrument available on equal terms across the Union rather than only in the Member States whose settlement patterns happen to match the threshold.

FICSIMM Amendment 4

Draft Communication - point (14): amendment to the Guidelines on regional State aid

Paragraph 57

Text of the draft Communication	FICSIMM amendment
‘57. As regards operating aid to prevent or reduce depopulation in sparsely populated areas, Member States must demonstrate the risk of depopulation in the event that operating aid is not granted.’	‘57. As regards operating aid to prevent or reduce depopulation in sparsely populated areas **or in regions experiencing severe depopulation**, Member States must demonstrate the risk of depopulation in the event that operating aid is not granted.’

Justification

Consequential to Amendment 3. The demonstration requirement - and therefore the Commission’s control over the proportionality of the measure - is preserved in full.

FICSIMM Amendment 5

Draft Communication - point (15): amendment to the Guidelines on regional State aid

Paragraph 103

Text of the draft Communication	FICSIMM amendment
‘103. As regards aid to reduce certain specific difficulties faced by SMEs in ‘a’ areas, the level of the aid must be progressively reduced over the duration of the scheme (*). This does not apply to schemes to prevent depopulation in sparsely populated areas and to schemes compensating for the additional operating costs incurred in outermost regions as a direct result of one or several permanent constraints referred to in Article 349 of the Treaty. […]’	‘103. As regards aid to reduce certain specific difficulties faced by SMEs in ‘a’ areas, the level of the aid must be progressively reduced over the duration of the scheme (*). This does not apply to schemes to prevent depopulation in sparsely populated areas **or in regions experiencing severe depopulation** and to schemes compensating for the additional operating costs incurred in outermost regions as a direct result of one or several permanent constraints referred to in Article 349 of the Treaty. […]’

Justification

Consequential to Amendments 2 and 3. Degressivity is appropriate where the difficulty being addressed is expected to diminish. Depopulation driven by migration and demographic structure does not diminish over the life of a scheme; requiring the aid to fall while the handicap persists would defeat the purpose of the measure, which is precisely why the exemption already exists for sparsely populated areas.

III.3. Coverage

FICSIMM Amendment 6

Draft Communication - point (17): amendment to the Guidelines on regional State aid

Paragraph 155

Text of the draft Communication	FICSIMM amendment
‘155. […] The Commission considers that it is in principle appropriate to keep the same level of population coverage for the period 2028-2034, adjusted to account for the needs of the eastern border regions. This adjustment results in an overall increase to 48.5456% of the overall EU-27 population coverage for the period 2028-2034. […]’	‘155. […] The Commission considers that it is in principle appropriate to keep the same level of population coverage for the period 2028-2034, adjusted to account for the needs of the eastern border regions. This adjustment results in an overall increase to 48.5456% of the overall EU-27 population coverage for the period 2028-2034. **The recognition of the specific situation of eastern border regions is given effect through population coverage under this Section and, where those regions already qualify as ‘a’ areas, through the increased aid intensities provided for in paragraph 187a.** […]’

Justification

The uplift of 0.5456 percentage points is delivered exclusively through additional predefined ‘c’ coverage. That mechanism is arithmetically incapable of benefiting a Member State whose eastern border regions are already ‘a’ areas. Romania is the clearest case: all three of its designated eastern border regions are ‘a’ areas, and its total coverage moves from 89.34% to 89.40%.

The amendment does not change the figure of 48.5456% and does not reduce the benefit accruing to any other Member State. It states the principle that the recognition of the eastern border handicap operates through two channels rather than one and provides the textual anchor for Amendment 14.

FICSIMM Amendment 7

Draft Communication - point (22): amendment to the Guidelines on regional State aid

Paragraph 165

Text of the draft Communication	FICSIMM amendment
‘165. The Commission also considers that Member States must have sufficient ‘c’ coverage to be able to designate as ‘c’ areas the areas with low population density and, in the period 2028-2034, also eastern border regions set out in Annex Ia.’	‘165. The Commission also considers that Member States must have sufficient ‘c’ coverage to be able to designate as ‘c’ areas the areas with low population density and, in the period 2028-2034, also eastern border regions set out in Annex Ia **and regions experiencing severe depopulation identified in accordance with Annex IV**.’

Justification

Regions experiencing severe depopulation that lie outside ‘a’ areas are, at present, dependent on the non-predefined ‘c’ envelope, which in most Member States is fully committed. Making them predefined ensures that the demographic criterion the Commission has itself chosen to update in paragraph 188 has a corresponding effect on the designation of areas, and not only on intensity.

FICSIMM Amendment 8

Draft Communication - point (24): amendment to the Guidelines on regional State aid

Paragraph 166, point (4) (new)

Text of the draft Communication	FICSIMM amendment
‘(3) eastern border regions: NUTS 2 regions that share a border with Russia, Belarus and/or Ukraine.’	‘(3) eastern border regions: NUTS 2 regions that share a border with Russia, Belarus, Ukraine **and/or the Republic of Moldova**; **(4) regions experiencing severe depopulation: NUTS 3 regions that experienced a population loss of more than 7.5% over the period 2013-2024.’**

Justification

Consequential to Amendments 1, 2 and 7. Aligns the list of predefined ‘c’ categories with the definitions in paragraph 19.

FICSIMM Amendment 9

Draft Communication - point (27): amendment to the Guidelines on regional State aid

Paragraph 171 - safety net

Text of the draft Communication	FICSIMM amendment
‘171. To ensure continuity in the regional aid maps and a minimum scope of action for Member States, the Commission considers that no Member State should lose more than 30% of its total coverage compared to the previous period and that all	‘171. To ensure continuity in the regional aid maps and a minimum scope of action for Member States, the Commission considers that no Member State should lose more than 30% of its total coverage compared to the previous period, **that no**

Text of the draft Communication	FICSIMM amendment
Member States should have a minimum population coverage.’	**assisted area should lose more than 10 percentage points of its maximum aid intensity compared to the previous period,** and that all Member States should have a minimum population coverage.’

Justification

The existing safety net protects the perimeter of the map but is silent on its content. Romania demonstrates the gap with unusual clarity: coverage is preserved almost exactly, while regions representing some 56% of the national population lose between 10 and 15 percentage points of intensity, and one region loses half of the aid it may receive.

A safety net that guarantees the right to designate an area while permitting an unlimited reduction in what may be granted there delivers continuity in form only. Extending the same principle to intensity is conceptually straightforward, costs the Union no additional population coverage, and affects only the small number of regions facing the sharpest reductions.

The 10-percentage-point ceiling is deliberately calibrated so as to leave the reductions resulting from paragraph 179 largely intact while eliminating the single largest cliff - the transition from ‘a’ status to predefined ‘c’ status.

III.4. Aid intensities

FICSIMM Amendment 10

Amendment to the Guidelines on regional State aid

Paragraph 179a (new) - phasing of intensity reductions

Text of the draft Communication	FICSIMM amendment
[No corresponding provision in the draft Communication.]	**'179a. Where the application of paragraph 179 results, for the period 2028-2034, in a maximum aid intensity for a NUTS 2 region that is more than 5 percentage points below the maximum aid intensity applicable to that region on 31 December 2027, the reduction shall apply in two steps. The maximum aid intensity applicable from 1 January 2028 to 31 December 2030 shall not be more than 5 percentage points below the intensity applicable on 31 December 2027; the maximum aid intensity resulting from paragraph 179 shall apply from 1 January 2031.'**

Justification

This is the single most important amendment in this contribution. It does not change the destination of the map; it changes the speed at which it is reached.

Industrial investment decisions in assisted areas are taken on a three-to-five-year horizon. A reduction of 10 to 15 percentage points applied on a single date invalidates the financial models on which projects currently in preparation are based and does so at the exact moment when the

2028-2034 programming period - the National and Regional Partnership Plans and the European Competitiveness Fund become operational. The practical effect is a bunching of investment into 2027 followed by a hollow period - the opposite of the smoothing that regional aid is intended to achieve.

The Guidelines already accept the principle of phasing in paragraph 183, which grants former ‘a’ areas an additional five percentage points for three years precisely in order to avoid an abrupt discontinuity. The amendment extends that accepted principle to intensity reductions inside ‘a’ areas, where the discontinuity can be equally severe and is currently unmitigated.

The cost to the Union in terms of population coverage is nil and the additional aid permitted is temporary and self-extinguishing on 31 December 2030.

FICSIMM Amendment 11

Amendment to the Guidelines on regional State aid

Paragraph 179, points (2) and (3) - recalibration of the intensity bands

Text of the draft Communication	FICSIMM amendment
‘179. The aid intensity for large enterprises in ‘a’ areas must not exceed: (1) 50% in NUTS 2 regions whose GDP per capita is below or equal to 55% of the EU-27 average; (2) 40% in NUTS 2 regions whose GDP per capita is above 55% and below or equal to 65% of the EU-27 average; (3) 30% in NUTS 2 regions with a GDP per capita above 65% of the EU-27 average.’	‘179. The aid intensity for large enterprises in ‘a’ areas must not exceed: (1) 50% in NUTS 2 regions whose GDP per capita is below or equal to 55% of the EU-27 average; (2) 40% in NUTS 2 regions whose GDP per capita is above 55% and below or equal to 65% of the EU-27 average; **(2a) 35% in NUTS 2 regions whose GDP per capita is above 65% and below or equal to 70% of the EU-27 average;**

Text of the draft Communication	FICSIMM amendment
	(3) 30% in NUTS 2 regions with a GDP per capita above **70%** of the EU-27 average.’

Justification

The thresholds of 55% and 65% have remained unchanged since the 2014-2020 Guidelines, through two enlargement-adjusted recalculations of the EU average and a decade of nominal convergence in Central and Eastern Europe. Their effect has therefore tightened considerably without any deliberate policy decision to that effect.

The step from 40% to 30% at a single threshold is the largest discontinuity in the intensity structure of the Guidelines. Nord-Vest (68.33) and Centru (68.67) cross it by roughly three points and lose ten. An intermediate band of 35% between 65% and 70% removes the sharpest edge without altering the treatment of regions clearly above or clearly below.

The amendment is neutral for regions below 65% and above 70% of the EU-27 average and therefore affects only a small number of NUTS 2 regions across the Union.

FICSIMM Amendment 12

Draft Communication - point (32): amendment to the Guidelines on regional State aid

Paragraph 182, points (1) and (2)

Text of the draft Communication	FICSIMM amendment
‘182. The aid intensity for large enterprises must not exceed: (1) 20% in sparsely populated areas and in areas (NUTS 3 regions or parts of NUTS 3 regions) that share a land border with a country outside the EEA or the EFTA;	‘182. The aid intensity for large enterprises must not exceed: (1) 20% in sparsely populated areas, **in eastern border regions** and in areas (NUTS 3 regions or parts of NUTS 3 regions)

Text of the draft Communication	FICSIMM amendment
(2) 15% in former 'a' areas and in eastern border regions; […]'	that share a land border with a country outside the EEA or the EFTA; (2) 15% in former 'a' areas ~~[and in eastern border regions]~~ […]'

Justification

As drafted, the new provision produces an internal inconsistency. A NUTS 3 region sharing a land border with a country outside the EEA or the EFTA already benefits from 20% under point (1). Ukraine, Belarus, Russia and the Republic of Moldova are all countries outside the EEA and the EFTA. An eastern border region - a category created specifically to reinforce support for those territories - would therefore receive 15% under point (2), that is, less than the general rule already provides for the same land border.

The amendment resolves the inconsistency by placing eastern border regions in point (1). It has no effect on population coverage and does not alter the treatment of former 'a' areas.

FICSIMM Amendment 13

Draft Communication - point (33): amendment to the Guidelines on regional State aid

Paragraph 183

Text of the draft Communication	FICSIMM amendment
'183. In former 'a' areas, the aid intensity of 15% set in paragraph 182(2) may be increased by up to 5 percentage points until 31 December 2024 for the period 2022-2027 and until 31 December 2030 for the period 2028-2034.'	'183. In former 'a' areas, the aid intensity of 15% set in paragraph 182(2) may be increased by up to 5 percentage points until 31 December 2024 for the period 2022-2027 and until 31 December 2030 for the period 2028-2034. **In former 'a' areas**

Text of the draft Communication	FICSIMM amendment
	whose GDP per capita is below or equal to 80% of the EU-27 average, that increase may be applied throughout the period 2028-2034.’

Justification

The Vest region of Romania (RO42) exits ‘a’ status at 75.67% of the EU-27 average - 0.67 percentage points above the qualifying threshold. Pomorskie (PL63), at exactly 75.00%, retains ‘a’ status and a 30% intensity. Vest falls to 15%, or 20% until the end of 2030.

A difference of two thirds of a percentage point in a three-year statistical average, itself subject to revision, therefore produces a difference of 10 to 15 percentage points in permitted aid intensity for the whole of a seven-year period. Vest is a region built on automotive and machine-building supply chains that are currently undergoing the most demanding technological transition in their history; it is not a region whose need for investment support ended when a rounded average crossed a line.

The amendment extends an existing transitional mechanism rather than creating a new one, and confines it to former ‘a’ areas that remain materially below the Union average.

FICSIMM Amendment 14

Amendment to the Guidelines on regional State aid

Subsection 7.4.4a and paragraph 187a (new) - increased aid intensities for eastern border regions

Text of the draft Communication	FICSIMM amendment
[No corresponding provision in the draft Communication.]	**‘7.4.4a. Increased aid intensities for eastern border regions**

Text of the draft Communication	FICSIMM amendment
	187a. The maximum aid intensities laid down in subsection 7.4.1 may be increased by 5 percentage points for eastern border regions as listed in Annex Ia.'

Justification

This amendment gives the eastern border category economic content in the Member States where it currently has none.

The draft Communication delivers the eastern border benefit exclusively through predefined 'c' coverage and a 'c'-area intensity. Where the border regions are already 'a' areas, neither element adds anything: predefined 'c' status is redundant and a 15% ceiling is far below the 30-50% already available. Romania's three designated eastern border regions are all 'a' areas. The same applies in whole or in part to Bulgaria, Latvia, Lithuania, Hungary and Slovakia. The Member State with the longest land border with Ukraine, and with the whole of the Union's land border with the Republic of Moldova, receives an increase in coverage of 0.06 percentage points and no increase in intensity.

The structure proposed is not novel. It reproduces exactly the mechanism the Guidelines already use for Just Transition Fund territories in paragraph 187 (+10 pp in 'a' areas) and for regions experiencing population loss in paragraph 188 (+10 pp in 'a' areas, +5 pp in 'c' areas). The uplift proposed here is the more modest of the two.

The costs the Communication on the eastern border identifies - higher insurance and security costs, disrupted logistics, reduced investment appetite, labour shortages caused by mobilisation and outward migration - are borne by undertakings located in 'a' areas exactly as they are by undertakings in 'c' areas. An instrument that reaches only the latter addresses the handicap in the Member States where it is least acute.

FICSIMM Amendment 15

Draft Communication - point (34): amendment to the Guidelines on regional State aid

Paragraph 188

Text of the draft Communication	FICSIMM amendment
‘188. […] For the regional aid maps for the period 2028-2034, the maximum aid intensities laid down in subsection 7.4.1 may be increased by 10 percentage points and the maximum aid intensities laid down in subsection 7.4.2 may be increased by 5 percentage points for NUTS 3 regions experiencing population loss of more than 10% over the period 2013-2024 (*). (*) See Annex IV.’	‘188. […] For the regional aid maps for the period 2028-2034, the maximum aid intensities laid down in subsection 7.4.1 may be increased by 10 percentage points and the maximum aid intensities laid down in subsection 7.4.2 may be increased by 5 percentage points for NUTS 3 regions experiencing population loss of more than **7.5%** over the period 2013-2024 (*). **Those increases may be cumulated with the increases provided for in paragraphs 186, 187 and 187a. The Commission shall publish, at the time of publication of this Communication in the Official Journal of the European Union, the list of NUTS 3 regions meeting the criterion set out in this paragraph, on the basis of Eurostat data.** (*) See Annex IV.’

Justification

Three distinct points are addressed.

First, the threshold. A loss of 7.5% of the resident population over an eleven-year period is already a structural haemorrhage, and the regions between 7.5% and 10% are in a situation materially indistinguishable from those just above the line. Lowering the threshold captures the phenomenon more accurately without extending the measure to regions with stable populations.

Second, cumulation. Practitioners and managing authorities currently spend considerable pre-notification effort establishing whether the SME uplift, the Just Transition uplift and the population-loss uplift may be combined. Stating the answer in the text removes a recurring source of legal uncertainty at no cost.

Third, publication of the list. Requiring twenty-seven Member States to demonstrate separately the same arithmetic on the same Eurostat dataset is precisely the kind of duplicated administrative effort the Commission has undertaken to eliminate under its 25% and 35% burden-reduction targets. Publication by the Commission is faster, cheaper and less contestable.

FICSIMM Amendment 16

Amendment to the Guidelines on regional State aid

Paragraph 186 - increased aid intensities for SMEs

Text of the draft Communication	FICSIMM amendment
'186. The aid intensities laid down in subsections 7.4.1 and 7.4.2 may be increased by up to 20 percentage points for small enterprises or by up to 10 percentage points for medium-sized enterprises.'	'186. The aid intensities laid down in subsections 7.4.1 and 7.4.2 may be increased by up to 20 percentage points for small enterprises or by up to 10 percentage points for medium-sized enterprises. **Those increases may be cumulated with the increases provided for in paragraphs 187, 187a and 188.**'

Justification

The SME uplift is the provision of the Guidelines with the greatest practical significance for the enterprises FICSIMM represents, and the one most frequently the subject of divergent interpretation between managing authorities and beneficiaries.

Where the maximum intensity for large enterprises is being reduced by 10 to 15 percentage points, the ability to combine the SME uplift with the territorial uplifts determines whether small industrial firms in border and depopulating regions remain able to finance modernisation at all. Confirming cumulation in the text is a clarification, not an extension, but its effect on legal certainty for SMEs is substantial.

III.5. Targeting below NUTS 2 level

FICSIMM Amendment 17

Amendment to the Guidelines on regional State aid

Paragraph 184a (new) — pockets of underdevelopment within ‘a’ areas

Text of the draft Communication	FICSIMM amendment
[No corresponding provision in the draft Communication.]	**‘184a. Within an ‘a’ area, the aid intensities set in paragraph 179 may be increased by up to 5 percentage points in NUTS 3 regions whose GDP per capita is below or equal to 50% of the EU-27 average. Member States must identify those NUTS 3 regions in the regional aid map notified to the Commission.’**

Justification

Regional averages at NUTS 2 level increasingly conceal the disparities the Guidelines exist to correct. In Romania, convergence of the regional average has coincided with a widening gap between county capitals and peripheral counties inside the same development region, across the whole of the 2014-2027 period. This is now the dominant form of territorial inequality in Central and Eastern Europe, and it is invisible to a map drawn exclusively at NUTS 2 level.

FICSIMM analysed this pattern in detail in its April 2024 paper on decreasing disparities within regions and tackling pockets of underdevelopment, submitted in the context of the post-2027 cohesion policy debate (https://ficsimm.eu/wp-content/uploads/2026/07/FICSIMM_Decreasing-disparities-within-regions-pockets-of-underdevelopment_en-April-2024_s.pdf).

The amendment is deliberately narrow. It applies only inside areas that already qualify under Article 107(3)(a) TFEU; it is limited to 5 percentage points; it uses a threshold - 50% of the EU-27 average - that identifies only genuinely lagging territories; and it requires identification in the notified map, so the Commission retains full control. It consumes no additional population coverage, since the areas concerned are already assisted.

III.6. Notification, legal certainty and review

FICSIMM Amendment 18

Draft Communication - point (35): amendment to the Guidelines on regional State aid

Paragraph 189

Text of the draft Communication	FICSIMM amendment
'189. […] For the period 2028-2034, following the publication in the Official Journal of the European Union of the Communication amending the Guidelines as regards the regional aid maps for the period 1 January 2028 to 31 December 2034, each Member State should notify to the Commission a single regional aid map applicable from 1 January 2028 to 31 December 2034. Each notification should include the information specified in Annex V.'	'189. […] For the period 2028-2034, following the publication in the Official Journal of the European Union of the Communication amending the Guidelines as regards the regional aid maps for the period 1 January 2028 to 31 December 2034, each Member State should notify to the Commission a single regional aid map applicable from 1 January 2028 to 31 December 2034. Each notification should include the information specified in Annex V. **Member States may notify regional aid schemes in parallel with the notification of the regional aid map. The Commission**

Text of the draft Communication	FICSIMM amendment
	will endeavour to adopt the decisions approving the regional aid maps by 30 June 2027.

Justification

Paragraph 198 provides that notifications of regional aid schemes cannot be considered complete until the map for the Member State concerned has been approved. Without an indicative deadline for approval, undertakings face the prospect of a gap in the first months of 2028 during which no regional aid may be granted - at the very moment when the 2028-2034 programming period, the National and Regional Partnership Plans and the European Competitiveness Fund all become operational, and when national schemes will in any event be under revision.

For a large corporation, a delay of some months is an inconvenience to be managed. For an SME with a signed equipment order, a bank offer with an expiry date and a construction window dictated by the season, it is a cancelled investment. The experience of the 2021-2022 transition, when several Member States were unable to launch schemes for most of the first year (or even more) of the period, should not be repeated.

The amendment imposes no binding obligation on the Commission and adds no procedural step; it establishes a planning horizon on which businesses and managing authorities can rely.

FICSIMM Amendment 19

Draft Communication - point (37): amendment to the Guidelines on regional State aid

Paragraph 194 - mid-term review

Text of the draft Communication	FICSIMM amendment
'194. […] For the period 2028-2034, the mid-term review will be carried out in 2030. By June 2030, the Commission will	'194. […] For the period 2028-2034, the mid-term review will be carried out in 2030. By June 2030, the Commission will

Text of the draft Communication	FICSIMM amendment
communicate the details of that mid-term review.’	communicate the details of that mid-term review. **The mid-term review will allow both for the designation of additional assisted areas and for an upward revision of maximum aid intensities where updated statistics show a deterioration in the relative position of a region, including as a result of macro-fiscal consolidation, asymmetric shocks or security-related costs. Before communicating the details of the review, the Commission will consult Member States, regional authorities and representative business organisations.**

Justification

The reference window for the new maps, 2022-2024, coincides with the sharpest inflation episode in four decades and with unusually divergent fiscal stances among Member States. In Romania, measured GDP per capita in purchasing power standards rose by between six and twelve points relative to the EU-27 average across the seven development regions. Genuine catching-up accounts for part of that movement. Price-level effects and a general government deficit of approximately 9% of GDP in 2024, now being withdrawn through a multi-annual consolidation programme, account for another part.

The map for 2028-2034 will therefore be fixed at the peak of a cycle and applied through the trough. A review mechanism that is understood to operate in one direction only cannot correct this. Stating explicitly that intensities may be revised upwards where the evidence supports it costs nothing if convergence proves durable and provides a necessary corrective if it does not.

The addition on consultation reflects the fact that regional aid maps are among the Union instruments with the most immediate effect on business investment decisions, and that the enterprises concerned are currently consulted at the call-for-evidence stage but not at the review stage.

III.7. Annexes

FICSIMM Amendment 20

Draft Communication - point (43): amendment to Annex III to the Guidelines

Annex III, paragraph (1)

Text of the draft Communication	FICSIMM amendment
'- eastern border regions for the period 2028-2034 as set out in Annex Ia.'	'- eastern border regions for the period 2028-2034 as set out in Annex Ia; **- regions experiencing severe depopulation for the period 2028-2034 as identified in accordance with Annex IV.'**

Justification

Consequential to Amendments 2, 7 and 8. Annex III sets out the information that must be provided for predefined areas; the new category must appear there if it is to be operational.

FICSIMM Amendment 21

Draft Communication - point (49): amendment to Annex IV to the Guidelines

Annex IV, third indent

Text of the draft Communication	FICSIMM amendment
'- for the period 2022-2027, Member States must demonstrate a population loss	'- for the period 2022-2027, Member States must demonstrate a population loss

Text of the draft Communication	FICSIMM amendment
of more than 10% over the period 2009-2018; for the period 2028-2034, Member States must demonstrate a population loss of more than 10% over the period 2013-2024.’	of more than 10% over the period 2009-2018; for the period 2028-2034, Member States must demonstrate a population loss of more than **7.5%** over the period 2013-2024. **The Commission will publish the list of NUTS 3 regions meeting this criterion on the basis of Eurostat data; Member States relying on that list are not required to provide a separate demonstration.**’

Justification

Consequential to Amendments 2 and 15, and a direct simplification measure. The second sentence removes a demonstration requirement that twenty-seven Member States would otherwise perform separately on an identical, publicly available dataset.

FICSIMM Amendment 22

Draft Communication - point (52): amendment to Annex V to the Guidelines

Annex V, paragraph (1)

Text of the draft Communication	FICSIMM amendment
‘- eastern border regions for the period 2028-2034.’	‘- eastern border regions for the period 2028-2034; **- regions experiencing severe depopulation for the period 2028-2034;**

Text of the draft Communication	FICSIMM amendment
	- NUTS 3 regions within ‘a’ areas identified in accordance with paragraph 184a.’

Justification

Consequential to Amendments 2 and 17. Ensures that the categories created by those amendments are visible in the notified map and therefore verifiable by the Commission, by regional authorities and by beneficiaries.

IV. Accompanying requests

The following requests fall outside the legal scope of the draft Communication, but condition whether its objectives are achieved in practice. FICSIMM submits them for the consideration of DG Competition and of the services responsible for the instruments concerned.

IV.1. Coherence across the State aid architecture

The regional aid maps are being revised in parallel with the Clean Industrial Deal State Aid Framework, the Industrial Accelerator Act and the establishment of the European Competitiveness Fund. Each instrument is assessed separately; undertakings encounter them together. FICSIMM asks the Commission to publish, alongside the final Communication, an indicative overview of the maximum support available per region from the combination of these instruments, so that businesses and managing authorities can see the aggregate picture rather than reconstructing it from four separate texts.

IV.2. Asymmetry of fiscal capacity within the Single Market

A reduction in permitted regional aid intensity has very different consequences depending on the fiscal capacity of the Member State concerned. Member States with fiscal space can substitute non-regional instruments - energy price compensation, tax incentives, national industrial programmes - for the aid intensity they lose. Member States undergoing consolidation cannot. The risk is that a technical revision of the maps produces, in aggregate, a widening - rather than a narrowing - of the investment gap inside the Single Market.

FICSIMM asks the Commission to monitor and report on this asymmetry as part of the 2030 mid-term review, using data it already collects through the State Aid Scoreboard and Transparency Award Module.

IV.3. Union-level compensation for eastern border regions

Should the Commission consider that an intensity uplift for eastern border regions in ‘a’ areas cannot be accommodated within the Guidelines, FICSIMM asks that an equivalent benefit be delivered through Union-level financing. FICSIMM has proposed an EastInvest Facility for this purpose: a dedicated window combining guarantees, blended finance and simplified micro-grant schemes for SMEs in the eastern border regions, with ring-fenced allocations and application procedures aligned with commercial timelines rather than with programming cycles.

IV.4. Financial instruments as the necessary complement to lower grant intensities

Where grant intensity falls, guarantees and blended finance become indispensable rather than optional. FICSIMM has co-designed with the Investment and Development Bank (IDB) a portfolio guarantee instrument of EUR 1.2 billion targeting approximately 3,500 industrial SMEs for energy-efficiency retrofitting, with a 50% guarantee rate, a 20% cap, an energy-audit grant of EUR 20,000 per beneficiary and a 10-30% capital rebate conditional on a reduction of at least 30% in energy consumption. The instrument is designed to be compatible with the regional aid framework and with the Modernisation Fund.

FICSIMM asks that the treatment of portfolio guarantees and of performance-conditional rebates under the Guidelines and the General Block Exemption Regulation be clarified in the accompanying practical guidance, so that instruments of this kind can be deployed without a case-by-case negotiation of their aid equivalent.

IV.5. Alignment of the General Block Exemption Regulation

The great majority of regional aid to SMEs is granted under the block exemption rather than following notification. FICSIMM asks that the corresponding provisions of the General Block Exemption Regulation be aligned with the amended Guidelines and enter into application on the same date, so that no period arises in which the two instruments point to different aid intensities for the same territory.

IV.6. Machine-readable annexes

FICSIMM asks that Annexes Ia, IIa and IV be published in machine-readable form alongside the Official Journal text, and that the approved maps be made available through a single Union-level viewer. Managing authorities, consultants and enterprises currently reconstruct this information manually from twenty-seven separate decisions; the resulting divergences in interpretation are a recurring and entirely avoidable source of error at the level of individual aid awards.

V. Conclusion

FICSIMM supports the draft Communication in its architecture and welcomes in particular the recognition of eastern border regions as a structural category in Union competition law. That recognition is a genuine step forward and should be preserved.

The proposals set out above address a single, consistent concern. As drafted, the amendment maintains the extent of the assisted areas, while allowing their content to be reduced sharply and without transition on the basis of a statistical window that captured the peak of an exceptional cycle. In Romania, the map covers 89.40% of the population and permits, in five of seven regions, between 10 and 15 percentage points less aid than the map it replaces; and the new category created to acknowledge the situation of eastern border regions delivers, in the Member State with the longest land border with Ukraine, an increase in coverage of six hundredths of a percentage point.

None of the twenty-two amendments proposed here requires the Commission to reopen the methodology of the Guidelines, to increase the overall population ceiling or to reduce the benefit accruing to any other Member State. They ask for four things:

*that intensity reductions be phased as status changes already are;

*that the eastern border category carry an operative consequence in ‘a’ areas as well as in ‘c’ areas;

*that depopulation be defined by loss rather than by density; and

*that the 2030 review be able to move in both directions.

Regional aid maps are not a technical annex. For the small and medium-sized enterprises that employ the majority of the workforce in the Union’s assisted areas, they determine whether the industrial transition of the next decade is something they participate in or something that happens to them.

FICSIMM remains at the disposal of DG Competition for any clarification of the proposals set out in this contribution.

FICSIMM, Romania - Transparency Register number 106130498490-94

https://ficsimm.eu/resurse/
https://www.facebook.com/ficsimm
https://www.linkedin.com/in/ficsimm/

ficsimm@gmail.com
anamaria.icatoiu@ficsimm.eu

Ana-Maria Icatoiu

Digitally signed by Ana-Maria Icatoiu
Date: 2026.08.03 20:48:46 +03'00'